



Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters

Freddie N. Simpson
President

Perry K. Geller, Sr.
Secretary-Treasurer

April 21, 2005

To: Amtrak General Chairmen

From: Danny Gates & Don Griffin

Re: Amtrak's Final Solution

Today, Amtrak issued the attached "Strategic Reform Initiatives and FY06 Grant Request." This document proposes a complete change in Amtrak's operations, labor relations and finances. If adopted, Amtrak would become but one of a number of rail passenger service providers, many of its functions would be contracted out and remaining Amtrak employees would be removed from Railroad Retirement and placed into Social Security.

The following are the highlights (lowlights?) of this anti-labor proposal:

- Three principles govern Amtrak strategic reform:
 - uncoupling Amtrak as the exclusive provider of interstate rail passenger service
 - promoting increased state and private investment in rail passenger service through matching grants of federal monies
 - competition between rail passenger service providers
- Eventual separation of the management of the NEC from actual train operations

10 G Street, N.E., Suite 460
Washington, DC 20002
Telephone 202.638.2135 Facsimile 202.737.3085
www.bmwe.org

- "Amtrak is also seeking work rule changes from its maintenance of way unions to increase management flexibility in order to deliver production more efficiently and reduce federal subsidy requirements, without the need for layoffs. (footnote: While Amtrak management is currently negotiating work rule changes with its unions, targeted legislative assistance may be needed if we are unable to successfully conclude those negotiations.) (Report at page 17)
- Changes in labor laws:
 - all intercity rail passenger operator under the same labor laws
 - have labor contracts expire rather than be amendable as currently under the Railway Labor Act
 - all new intercity rail passenger employees (Amtrak or others) come under Social Security rather than Railroad Retirement
- "Tort reform" that eliminates punitive damages in personal injury cases (other than wrongful death actions where punitive damages are sole remedy) and make federal courts the exclusive forum for personal injury cases.

This Report was presented to the Senate Transportation Committee today by CEO David Gunn and Amtrak Chairman David Laney. While many Senators in attendance were critical of the Administration's "zero budget" for Amtrak and were skeptics of Amtrak's proposal that states shard some of the costs of both long distance trains and corridor operations, we should not discount this proposal. Remember the Amtrak Reform Act of 1997 provided both substantial financial aid to Amtrak and made legislative changes to employee protection and subcontracting protection. Senators such as Trent Lott, Kay Bailey Hutchinson and Conrad Burns may be supporters of a national rail network; they are not necessarily sympathetic to labor. Therefore, we must guard against a "pro-Amtrak" majority in the Senate that is in favor of a national Amtrak monopoly of service, but is willing to entertain some or all of the labor initiatives proposed by Amtrak.

Obviously this Report is breaking news. Additional updates will be provided as developments warrant.